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POSTAL SERVICE

39 CFR Part 121

Revised Service Standards for Market-Dominant Mail Products; Postponement of Implementation Date

AGENCY: Postal Service™.

ACTION: Final rule; postponement of implementation date.

SUMMARY: This document announces the postponement of the implementation date for the revised service standards for market-dominant mail products that were scheduled to take effect on February 1, 2014, as part of the Network Rationalization initiative. The new implementation date will be announced by the Postal Service in the *Federal Register* at least 90 days before it takes effect.

DATES: *Effective date:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Please see Supplementary Information concerning postponement of implementation date.

FOR FURTHER INFORMATION CONTACT: Dave Williams, Network Operations, at 202-268-4305.

SUPPLEMENTARY INFORMATION:

On September 21, 2011, the Postal Service published an advance notice of proposed rulemaking (the Advance Notice) in the *Federal Register* to solicit public comment on a conceptual proposal to revise service standards for market-dominant products.¹ After considering comments received in response to the Advance Notice, the

¹ Proposal to Revise Service Standards for First-Class Mail, Periodicals, and Standard Mail, 76 FR 58433 (Sept. 21, 2011).

Postal Service determined to develop the concept into a concrete proposal, termed Network Rationalization. The basic logic of Network Rationalization is that falling mail volumes and the resultant excess capacity in the Postal Service's mail processing network necessitate a major consolidation of the network, and this task in turn is contingent on revisions to service standards, particularly the overnight standard for First-Class Mail.

On December 5, 2011, the Postal Service submitted a request to the Postal Regulatory Commission (PRC) for an advisory opinion on the service changes associated with Network Rationalization, in accordance with 39 U.S.C. 3661(b).² On December 15, 2011, the Postal Service published proposed revisions to its market-dominant service standards in the *Federal Register* and sought public comment (the Proposed Rulemaking).³ The comment period for the Proposed Rulemaking closed on February 13, 2012. The final rule was published on May 25, 2012.⁴

Having considered public input and the results of its market research, the Postal Service decided to implement Network Rationalization in a phased manner. The service standard changes associated with the first phase of Network Rationalization became effective on July 1, 2012.⁵ This document announces the Postal Service's decision to postpone the second phase of Network Rationalization, and the corresponding service standard changes.

² PRC Docket No. N2012-1, Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services (Dec. 5, 2011). Documents pertaining to the Request are available at the PRC website, <http://www.prc.gov>.

³ Service Standards for Market-Dominant Mail Products, 76 FR 77942 (Dec. 15, 2011).

⁴ Revised Service Standards for Market-Dominant Mail Products, 77 FR 31190 (May 25, 2012).

⁵ *Id.*

The Postal Service's market-dominant service standards are contained in 39 CFR part 121. This document revises the service standards by announcing the postponement of the implementation date for the service standards scheduled to become effective on February 1, 2014, and establishing the continuation of service standards currently in effect. This revision is applied by replacing "February 1, 2014" with "the effective date identified by the Postal Service in a future *Federal Register* document" each place where "February 1, 2014" appears in the current version of 39 CFR part 121, and in Appendix A to that part.

List of Subjects in 39 CFR Part 121

Administrative practice and procedure, Postal Service.

Accordingly, for the reasons stated in the preamble, the Postal Service adopts the following revisions to 39 CFR part 121:

PART 121 – SERVICE STANDARDS FOR MARKET DOMINANT MAIL PRODUCTS

1. The authority citation for 39 CFR part 121 continues to read as follows:

Authority: 39 U.S.C. 101, 401, 403, 404, 1001, 3691.

2. Section 121.1 is amended by revising paragraphs (a) and (b) to read as follows:

§ 121.1 First-Class Mail.

(a)(1) Until the effective date identified by the Postal Service in a future *Federal Register* document, a 1-day (overnight) service standard is applied to intra-Sectional Center Facility (SCF) domestic First-Class Mail® pieces properly accepted before the day-zero Critical Entry Time (CET), except for mail between Puerto Rico and the U.S. Virgin Islands, mail between American Samoa and Hawaii, and mail destined to the

following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999.

(2) On and after the effective date identified by the Postal Service in a future *Federal Register* document, a 1-day (overnight) service standard is applied to intra-SCF domestic Presort First-Class Mail pieces properly accepted at the SCF before the day-zero CET, except for mail between Puerto Rico and the U.S. Virgin Islands, and mail destined to American Samoa and the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999.

(b)(1) Until the effective date identified by the Postal Service in a future *Federal Register* document, a 2-day service standard is applied to inter-SCF domestic First-Class Mail pieces properly accepted before the day-zero CET if the drive time between the origin Processing & Distribution Center or Facility (P&DC/F) and destination Area Distribution Center (ADC) is 6 hours or less; or if the origin and destination are separately in Puerto Rico and the U.S. Virgin Islands; or if the origin or destination is in American Samoa or one of the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999.

(2) On and after the effective date identified by the Postal Service in a future *Federal Register* document, a 2-day service standard is applied to inter-SCF domestic First-Class Mail pieces properly accepted before the day-zero CET if the drive time between the origin P&DC/F and destination SCF is 6 hours or less; or if the origin and destination are separately in Puerto Rico and the U.S. Virgin Islands; or if the origin or

destination is in American Samoa or one of the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999.

3. Section 121.2 is amended by revising paragraph (a)(1) to read as follows:

§ 121.2 Periodicals.

(a) *End-to-End.*

(1)(i) Until the effective date identified by the Postal Service in a future *Federal Register* document, a 2- to 4-day service standard is applied to Periodicals pieces properly accepted before the day-zero Critical Entry Time (CET) and merged with First-Class Mail pieces for surface transportation (as per the Domestic Mail Manual (DMM)), with the standard specifically equaling the sum of 1 day plus the applicable First-Class Mail service standard;

(ii) On and after the effective date identified by the Postal Service in a future *Federal Register* document, a 3- to 4-day service standard is applied to Periodicals pieces properly accepted before the day-zero CET and merged with First-Class Mail pieces for surface transportation (as per the DMM), with the standard specifically equaling the sum of 1 day plus the applicable First-Class Mail service standard.

4. Appendix A to Part 121 is amended by revising the introductory text and Tables 1 through 4 to read as follows:

APPENDIX A TO PART 121 – TABLES DEPICTING SERVICE STANDARD DAY RANGES

The following tables reflect the service standard day ranges resulting from the application of the business rules applicable to the market-dominant mail products referenced in §§ 121.1 through 121.4:

Table 1. Prior to the effective date identified by the Postal Service in a future *Federal Register* document, end-to-end service standard day ranges for mail originating and destinating within the contiguous 48 states and the District of Columbia.

CONTIGUOUS UNITED STATES	
Mail Class	End-to-End Range (days)
First-Class Mail	1–3
Periodicals	2–9
Standard Mail	3–10
Package Services	2–8

Table 2. On and after the effective date identified by the Postal Service in a future *Federal Register* document, end-to-end service standard day ranges for mail originating and destinating within the contiguous 48 states and the District of Columbia.

CONTIGUOUS UNITED STATES	
Mail Class	End-to-End Range (days)
First-Class Mail	1–3
Periodicals	3–9
Standard Mail	3–10
Package Services	2–8

Table 3. Prior to the effective date identified by the Postal Service in a future *Federal Register* document, end-to-end service standard day ranges for mail originating and/or destinating in non-contiguous states and territories.

NON-CONTIGUOUS STATES AND TERRITORIES									
Mail Class	End-to-End								
	Intra State / Territory			To / From Contiguous 48 States			To / From States of Alaska and Hawaii, and the Territories of Guam, Puerto Rico and the U.S. Virgin Islands		
	Alaska	Hawaii, Guam, & American Samoa	Puerto Rico & USVI	Alaska	Hawaii, Guam, & American Samoa	Puerto Rico & USVI	Alaska	Hawaii, Guam, & American Samoa	Puerto Rico & USVI
First-Class Mail	1–3	1–3	1–2	3–4	3–5	3–4	4–5	4–5	4–5
Periodicals	2–4	2–4	2–3	13-19	12-22	11-16	21-25	21-26	23-26
Standard Mail	3–5	3–5	3–4	14-20	13-23	12-17	23-26	23-27	24-27
Package Services	2–4*	2–4	2–3	12-18	11-21	10-15	21-26	20-26	20-24

*Excluding bypass mail.

Table 4. On and after the effective date identified by the Postal Service in a future *Federal Register* document, end-to-end service standard day ranges for mail originating and/or destinating in non-contiguous states and territories.

NON-CONTIGUOUS STATES AND TERRITORIES									
Mail Class	End-to-End								
	Intra State / Territory			To / From Contiguous 48 States			To / From States of Alaska and Hawaii, and the Territories of Guam, Puerto Rico and the U.S. Virgin Islands		
	Alaska	Hawaii, Guam, & American Samoa	Puerto Rico & USVI	Alaska	Hawaii, Guam, & American Samoa	Puerto Rico & USVI	Alaska	Hawaii, Guam, & American Samoa	Puerto Rico & USVI
First-Class Mail	1-3	1-3	1-2	3-4	3-5	3-4	4-5	4-5	4-5
Periodicals	3-4	3-4	3	13-19	12-22	11-16	21-25	21-26	23-26
Standard Mail	3-5	3-5	3-4	14-20	13-23	12-17	23-26	23-27	24-27
Package Services	2-4*	2-4	2-3	12-18	11-21	10-15	21-26	20-26	20-24

*Excluding bypass mail.

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[FR Doc. 2014-01382 Filed 01/23/2014 at 8:45 am; Publication Date: 01/24/2014]